

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

13

July 29, 2003

**FROM: THOMAS R. LAURIN, Director
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**DAVID H. SLAUGHTER, Director
DEPARTMENT OF REAL ESTATE SERVICES**

**SUBJECT: AMENDMENT NO. 1 TO CONTRACT NO. 99-471 WITH THE CITY OF SAN
BERNARDINO AND PROVISIONAL EDUCATIONAL SERVICES, INC., AND
RELATED TRANSACTIONS**

RECOMMENDATION:

1. Approve Amendment No. 1 to Contract No. 99-471 between the County, the City of San Bernardino, and Provisional Educational Services, Inc., which provides for transferring the properties located at 1680 and 1686 West 19th Street in San Bernardino (APNs 0143-191-49 and 1043-191-50; the "Properties") to Provisional Educational Services, Inc., for continued maintenance and operation of the Properties by Provisional Educational Services, Inc., and other related changes.
2. Determine that the County's ownership interests in the Properties are no longer necessary for County or public purposes.
3. Execute the deed to convey the Properties to Provisional Education Services, Inc.
4. Approve Amendment No. 1 to terminate Contract No. 99-716 for the lease of the Properties.

BACKGROUND INFORMATION: On October 21, 1991, the County acquired the property located at 1680 West 19th Street (APN 0143-191-49), in San Bernardino for the purpose of providing a childcare facility to low and moderate-income households. The Community Development Block Grant ("CDBG") program funded the \$66,000 cost of the acquisition. On March 23, 1992, the Board approved a 10-year lease (No. 92-223) of the property to Provisional Education Services, Inc., a non-profit corporation, dba Provisional Accelerated Learning Center ("PAL"). On December 28, 1998, the County acquired the adjacent property located at 1686 West 19th Street (APN 0143-191-50) in order to expand the childcare program to meet the growing need of the community. The \$90,000 cost to acquire this property was also CDBG funded with both the City of San Bernardino and the County each contributing \$45,000. On August 10, 1999, the Board terminated lease No. 92-223 and approved a five-year lease (No. 99-716) to lease both of the properties to PAL. The properties total 29,280 square feet, with a 1440 square foot modular classroom and a 1709 square foot masonry building. PAL currently pays \$500 annually and is responsible for maintaining the facilities. Upon transfer of the properties, lease No. 99-716 is terminated.

Record of Action of the Board of Supervisors

13

**AMENDMENT NO. 1 TO CONTRACT NO. 99-471 WITH THE CITY OF SAN BERNARDINO
AND PROVISIONAL EDUCATIONAL SERVICES, INC., AND RELATED TRANSACTIONS**

July 29, 2003

Page 2

13

On June 29, 1999, the Board of Supervisors approved Contract No. 99-471 with Provisional Educational Services that provides for the use and maintenance of the properties. The San Bernardino City Council on April 7, 2003 approved the transfer of their interest in the properties to Provisional Educational Services, Inc. With this Amendment, the ownership of the properties will be transferred to Provisional Educational Services, Inc., who will have sole responsibility for the maintenance and operation of facilities for twenty (20) years beginning upon the date the properties are conveyed. If they fail to continue with the program as required by the amendment, the title to the properties will revert to the County. CDBG regulations authorize the transfer of the properties under the conditions set forth in the Amendment.

REVIEW BY OTHERS: This item was reviewed by Deputy County Counsel Michelle D. Blakemore on June 13, 2003, and Chief Deputy County Counsel Rex A. Hinesley on July 7, 2003; the County Administrative Office, Lynn Chacon, Administrative Analyst, and Patricia M. Cole, Administrative Analyst III on July 18, 2003, and the Department of Economic and Community Development's Contract Compliance designee David Larsen on June 16, 2003. The tripartite contract Amendment was signed by the Mayor of the City of San Bernardino on June 3, 2003, and by Provisional Educational Services, Inc. on May 22, 2003.

FINANCIAL IMPACT: ECD will no longer receive the annual rent of \$500. The County liability and Risk Management concerns will be eliminated with the transfer of the Properties. This action has no effect on the County General Fund.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this item, concurs with ECD's and RESD's recommendation, and recommends this action based on the need to have the non-profit organization continue to provide child care services to low and moderate income households.

SUPERVISORIAL DISTRICT (S): 5th.

PRESENTER: Thomas R. Laurin, Director ECD, 388-0808.
David H. Slaughter, Director RESD, 387-7813.

13